# GOVERNMENT OF MYSORE.

## FOOD, CIVIL SUPPLIES AND LABOUR DEPARTMENT.
## (Labour)

***Labour Dispute*** :—Industrial Dispute between the workmen and the management of Remington Rand of India, Ltd. Bangalore Branch office, 25 and 25A, Mahatma Gandhi Road, Bangalore-1.

**Award of the Industrial Tribunal, Bangalore—Published.**

**Read the following papers :—**

1. **Letter No. I.T. No. 1050-1/67 68, dated 23rd September 1967 from Sri A. Panchaksharaiah, Presiding Officer, Industrial Tribunal, Bangalore.**

## BEFORE THE INDUSTRIAL TRIBUNAL IN MYSORE, BANGALORE.

***Dated 21st September 1967.***

**Present**

**Sri A. Panchaksharaiah, B.A. (Hons.) LL. B., ...** *Presiding Officer.*

**I. D. No. 4 of 1966.**

**Workmen of M/s. Remington Rand of India, Ltd Bangalore Branch Office, 25 and 25A. Mahatma Gandhi Road, Bangalore-1 ... ...** *I Party*

*Vs*

**Management of M/s. Remington Rand of India, Ltd, Bangalore Branch Office, 25 and 25A. Mahatma Gandhi Road, Bangalore-1 ... ...** *II Party.*

**Appearances.**

**Sri M. C. Narasimhan, Advocate, Bangalore .. *For the I Party***
**Sri S. S. Nathan, Administrative Officer, Remington Rand, of India, Ltd., Madras ... *For the II Party.***

**Reference.**

**G. O. No. LMA 337 LLD 65, Bangalore, dated 3rd February 1966.**

## AWARD

The Workmen employed in M/s. Remington Rand of India, Ltd., Bangalore Branch represented by the Secretary, Remington Rand Employees' Union, Madras, submitted charter of demands on 11th September 1965 to the management of M/s. Remington Rand of India Ltd., Bangalore Branch. Among several other demands three demands which are the subject matter of this dispute, came up before the Conciliation Officer, Bangalore Division. As the parties did not come to any settlement, a failure report was submitted to the Government and the Government of Mysore in their Order No. LMA 637 LLD 65, dated 3rd February 1966, referred these disputes under Section 10 (1) (d) of the Industrial Disptues Act, 1947, to this tribunal for adjudication.

2. The first of these demands is in connection with the Lunch Allowance of Re. 1 per day claimed by the workmen of the Bangalore Branch. Demand No. 2 is regarding reimbursement of the medical expenses incurred by the workmen and their families while sick and the 3rd demand is in relation to enhancement of Batta at the rate of Rs. 10 Rs. 12 50 and Rs. 15 for those drawing a salary of less than Rs. 100, between 101 and 150, and 151 and above respectively. This dispute was registered as I.D: No. 4 of 1966 and Notices were taken out to both the parties to file their pleadings.

3. The I Party represented by the Secretary, filed a claim statement on 22nd February 1966. Justifying the claims for these demands the I Party workmen contend that at a meeting of the workmen held on 31st August 1965 certain demands were formulated and these were submitted to the II Party Management on 11th September 1965. The Union had discussions with the management about these demands, but the management was unable to come to any understanding about these demands. The I Party workmen contend that the Remington Rand Company is a subsidiary of M/s. Sperry Rand Corporation, New York. The Indian Company was established with a rupee capital invested on 1st April 1952 with rights to manufacture the Remington Standard Office Typewriters and to market the Remington Rand business equipment. The Company is a well-reputed firm having as many as 45 Branches all over India. The factory for manufacture of typewriters is situated at Calcutta. Apart from

manufacturing and selling typewriters, the company also manufactures other Office equipments like Duplicators, Filing cabinets, Kardex cabinets, Card index cabinets, Open Filling systems, Ribbons, Corbons etc. Apart from selling these items the company also undertakes maintainance and repairs, overhauling and servicing of the goods sold by the company in addition to rebuilding of second hand typewriters. It has Sevice Contracts with several commercial concerns and Government all over the Country. It is the largest concern in India manufacturing and selling various models of typewriters in several languages and enjoys a unique position in the trade of typewriters. It is a distinctive and special position in the industry and has attained in its business a position of a semi monpolist and there are no industrial concerns which are comparable to this Company. No other manufacturer manufactures typewriters in such a large scale or has built the name and reputation for its products as this Company has done. The demands submitted by the Union to the Company cover all the workmen working in the Regional Office at Madras and the Branches controlled by the Madras Regional Office, including Bangalore. In Bangalore, there are only 15 employees of this Company out of whom 9 are Mechanics and the rest are Clerical Staff. Although the Company has been in such a prosperous state and has been paying fabulous amounts to its executives, the wages paid to its workers have been rediculously low.

4. Justifying the claim for Lunch Allowance, the I Party workmen contend that at the present movement, the Company pays Lunch Allowance to only those workmen who are deputed on Company's work outside the limits and who are not able to return to the Company during the Lunch recess for lunch. Such workers are paid 0 75 paise as Lunch Allowance. The demand of the Union is that all workmen including those who are working in the Office should be paid the Lunch Allowance of Re. 1 per day. The Union submits that the Company has been paying at Calcutta to all its workmen including those working inside the Office, lunch allowance of Re. 1 per day. The rate hitherto was 0.50 paise per day per worker but the same has been enhanced to Re. 1 under an agreement dated 13th January 1965. The I Party workmen contend that in the matter of payment of Lunch Allowance it is not open to the Company to discriminate between one set of workmen and another. The Union therefore prays that this amenity of Lunch Allowance be extended to all

workmen working in the Bangalore Office on the same terms applicable to workmen at Calcutta Office of the Company.

5. Coming to the demand No. 2, the I Party workmen contend that at present the Company reimburses the medical bills pertaining to the Officers of the company and members of their family. By an agreement dated 29th May 1962 a Scheme affording medical benefits has been introduced by the company to its Calcutta office employees. By the Scheme the employees are granted reimbursement of medical expenses when they fall sick. So far as the E. S. I. Scheme is concerned, it is not applicable to the employees of the Bangalore Branch. The Union has demanded the medical benefits to be made available to the members of the family when they fall sick. So far as the financial capacity of the concern to meet this demand is concerned, the I Party workmen contend that there is no doubt whatsoever that the Company possesses the required financial capacity and it can afford to meet these demands. This Medical benefit was in fact discussed at the time of direct negotiations with the company but the parties did not come to any agreement. The Union therefore prays for grant of this demand to provide hospitalisation of the workmen and their families at the Company's expenses while sick, Reimbursement of consultation expenses and expenses incurred towards medicines etc., on production of necessary bills.

6. Demand No. 8 relates to the claim of Batta at the rate of Rs. 10, Rs. 12.50 and Rs. 15 for persons drawing less than Rs. 100 Rs. 150 and 151 and above respectively. I do not wish to say much about this because it has been agreed both by Sri Narasimhan who represented the Union and Sri Nathan who represented the II Party, that the Batta may be enhanced in case of basic pay of Rs. 85 up to Rs. 6.50 for basic pay of Rs. 250 up to Rs. 8 and basic pay of over Rs. 250 at Rs. 10. The only difference between Sri Nathan and Sri Narasimhan was with regard to the date from which effect should be given to these rates. In the claim statement the Union has requested for revision of Batta with retrospective effect from the date of the demand. The demand of demand is 11th September 1965. whereas Sri Nathan contended that it would work great hardship on the company if it is granted with retrospective effect *i.e.*, from the date of the demand.

7. In the course of the counter statement, the II Party Company admits in para 8 as follows :—

> "But for the declining profitability of the Company, the Company would have extended the above revised rates in the case of Bangalore Branch employees also to have uniformity and promote industrial peace."

The Campany has no dcubt, realised that there should be uniformity of the service conditions between its employees in order to promcte industrial peace and if that is so it is hard to understand how it is open to the company to maintain different service conditions in different places or different amenities to its employees at different places. That this Company is not having any declining profits is very clear from some of the exhibits which I am referring now. Ex. W16 is a statement showing the sales effected, profit earned and reserves kept back for the years commencing from 1955-56 to 1963.64 A perusal of this statement will clearly indicate that the Company's sales and the business have doubled themselves and the profits have also doubled and the reserves are almost tribbled. Ex. W 17 is a Circular sent by K. S. Narayan, Regional Manager, Madras Region, on 19th November 1964. It is as follows :—

> "Subject:—Capital issued by Remington Rand of India Ltd. I have great pleasure in enclosing herewith a Cyclo-styled copy of a new item on the above subject which appeared in the Economic Times on Wednesday November 18th 1964. I want to digest the contents of this news item and inform our customers of our expansion programme and Indian participation the capital structure we are going to have shortly etc."

The news item which had appeared in the Economic Times, Bombay, dated 18th November 1964 gives the following information.

> "A faced programme for the manufacture of these type-writers was launched and the Indian manufacture content was negligible and a major number of more than 1700 components which make a typewriter had to be imported. The initial installed capacity of the Company's factory was 15 Typewriters per annum. It was due to the technical collaboration of Sperry Rand Corporation, the Indian manufacture pontent of the

typewriter increased to 93.5 per cent and the capacity of the Company's factory reached 25,000 typewriters per annum. The Company's sales turn over also increased from 1.11 crores in 1952-53 to 3.91 crores in 1963-64".

Ex. W 18 also helps us in this matter. Ex. W 19 is a circular issued to all the members of the staff of the Madras Region by the Regional Manager congratulating himself and the staff on the wonderful performance done by them in 1964-65. The company has also congratulated Mr. K. S. Narayan by its telegram which reads as follows :—

"Narayan, please accept my strong congratulations for your fine achievement during March and I ask that you continue them into April and May STOP Your April sales budget is 3 lakhs, collection 5.5 lakhs Expect you to equal or exceed these figures".

Obrien

One of the Director."

From these documents therefore it is abundantly clear that the Company was not at all having any declining profits, but on the contrary it was having roaring profits and the statement made by the company in para 8 of the counter statement is not quite correct. However, since both the parties agree for the revision of the rates of Batta at the rates mentioned above, there will be an award in this behalf accordingly.

8. Regarding item No. 3, workmen drawing up to Rs. 85 as basic pay, will be entitled to Rs. 6.50 per day as batta. Regarding those drawing up to Rs. 250 above Rs 85 they will be entitled to Rs. 8 per day as Batta. So far as those who draw a salary of Rs. 250 and above, they will be entitled to Rs. 10 per day as batta. After all, this will not give a fly bite to the Company's profits because, of the 15 employees in Bangalore branch only 9 of them are Mechanics and it is only the Mechanics that are sent out on tour. The clerical staff will not be generally sent out on tour. However each of the employees at Bangalore will be entitled to the rate of batta as indicated above with effect from 11th September 1965 which is the date of demand in this case. To this effect there will be an award regarding point of dispute No. 3.

8. I now take up issue No 1 for consideration *i.e.*, Lunch allowance and reimbursement of medical expenses incurred by the workmen. It is convenient to deal with both the points together because both the benefits are available to the workmen employed in the Calcutta Region. So far as the lunch Allowance is concerned, this benefit is available to the Delhi workers also. In this behalf the Union contends that at present the company pays lunch allowance to only those workmen who are deputed on company's work outside the City Limits and who are not able to return to the company during lunch recess for lunch. Such workers are paid 0.75 paise as lunch allowance. The demand of the Union in this behalf is two fold. The first is that this lunch allowance should be raised to Re. 1 per day and the second is that of all the workers working at Bangalore should be paid this lunch allowance. The Union contends that the company has been paying at Calcutta to all its workmen including those working inside the Office, a lunch allowance of Rs. 0.50 paise per day and it has now been raised to Re. 1 per day with effect from 13th January 1965 and this is evidenced by an agreement Ex. W1. Regarding Issue No. 2 which deals with Medical aid, the Union submits that at present the company reimburses the medical bills pertaining to the Officers of the Company and members of their families. In the Calcutta Office of the Company by an agreement dated 29th May 1962 a scheme affording medical benefits has been introduced and by such a scheme the employees are granted reimbursement of medical expenses when they fall sick. In Bangalore the E S.I. Scheme is not applicable to the employees. The Union submits that while the highly paid employees of the company are afforded this facility, it is unjust to refuse the same to the Clerks, Mechanics and peons working in the Bangalore Branch of the Company. So far as financial capacity to meet this demands is concerned, the company has ample funds and perhaps more than the required funds. The contention of the company is that any wage scale fixed contains an element of expenditure for the mid-day meal or lunch and therefore a demand for a separate lunch allowance is not justifiable. This facility viz, lunch allowance is not available to any of the branches of the company which is an All India concern having 30 offices throughout the country, except in the Calcutta Office. Any introduction of such a lunch allowance in other branches would introduce industrial unrest.

9. Regarding Medical benefits the Company submits that there is no scheme for medical facilities for the employees of the

Company for the Madras Region under whose jurisdiction the branch establishment of Bangalore falls. The medical facilities are not available to the employees in any of the branches of the Company in India, except Calcutta where it has come into force by way of a consent award having regard to regional considerations. In this connection the Union has examined two witnesses, W. W. 1 K. Prameshwar and W W 2 Shankaran The Company has examined one witness Prabhakar the Branch Manager at Bangalore. The evidence of this Branch Manager is that the Company is having stiff competition from companies like Halda, Godrej. Rayala Corporation have got their Agency at Bangalore. Ex. M9 is produced by this witness to show the details of the staff employed by the Agents of the Rayala Corporation. The evidence of this witness is that the employees of the Rayals Corporation at Bangalore are not getting any lunch allowance or medical benefits. He however admits that the Remington Rand, Bangalore Branch pays a lunch allowance to its employees going out beyond the City limits and who cannot return to Bangalore on the same day. He does not seem to have much knowledge about his own Company's affairs because he admits that Re. 1 is being paid as lunch allowance, whereas the I Party contends that it is actually 0 75 paise that is paid as lunch allowance. The witness says that the Remington Company is not paying any lunch allowance to the indoor workers in any part of the Southern Region. However he admits that the company is paying lunch allowance to its employees at Delhi and Calcutta. He further admits that the employees are transferable from one place to the other. By virtue of an agreement the Delhi employees are getting a higher scale of salary than the Calcutta employees. To compensate that, lunch allowance is being paid at Calcutta. At Bangalore, the witness admits that Voltas are paying lunch allowance to their employees *i.e.*, those who cannot return home for lunch. He is not able to say if lunch allowance is paid in Delhi Regional Office also. Nor is he able to say the circumstances under which lunch allowance is being paid either at Calcutta Regional Office or Delhi Regional Office. He has produced some documents to show that lunch allowance is not being paid by some of the establishments in Bangalore in similar concerns. He has produced Ex. M4 which is an agreement between the Dunlop Rubber Company, India, Ltd., and Dunlop Employees Union, Hyderabad. Even here the company has agreed to pay lunch allowance of Rs. 1·50 per day to all employees who are graded in accordance with the grading schemes attached to

this agreement subject to the condition that it will be payable in respect of those days on which the employees are present excluding Saturdays, Sundays and holidays. So in Hyderabad the employees of the Dunlop Rubber Company are getting Rs.1-50 per day as Lunch Allowance according to the document produced by the II party itself. Ex.M12 is produced by the Company to show the working conditions of Gestener Duplicator Private Ltd., Calcutta to show that no lunch allowance is being paid to its employees, Condition No.5 in Ex.M12 shows that no lunch allowance is payable, but lunch money is paid to the following categories of employees if they work through the lunch hour at the rate of Re.1./- and Rs 1.50 per day. So also regarding the medical benefits. According to Ex.M12, medical benefits are not given to the employees of Gestener Duplicators as a matter of right but on individual applications each case is considered for medical benefit. So also in the case of Dunlop Rubber Company. According to clause 13 of Ex M4, an employee will be entitled to consult free of charge the Company's doctor either at the office or by appointment at his Consulting Room. If recommended by the Medical Officer, the Company will pay the cost of X-Ray examination, electrical treatment, massage, injection etc., and any other special treatment, as also special fees. Again, if recommended by the Medical Officer that an operation is necessary, the company will pay the cost of such operation in excess of Rs. 25 and the hospital charges in excess of Rs 2 per day. It is thus clear from the documents produced by the II party that a lunch allowance is being given to the employees as also the medical benefits Ex.M6 is a copy of the Memorandum of Settlement, dated 28th May 1962 under which the employees of the Calcutta Branch are entitled to the medical benefits. The Union has also produced some documents to show that in more or less comparable concerns of Bangalore. there is a practice of paying lunch allowance and giving medical benefits. Ex.W20 is the G.E.C. Employees Union Report according to which Tiffin Allowance is being given to the employees of the G.E.C. Clause (3) at page 42 of Ex.W20 shows that the employees who are in receipt of a basic salary of less than Rs. 300 were entitled to Tiffin allowance of 0.62 paise for full working day and 0.75 paise for full working day from 1st February 1961. Ex.W6 shows the working conditions of the East Asiatic Company Staff Union, Madras. Even there lunch allowance is paid at Rs.1.50 and 0.75 paise per day. That is now raised to Rs. 2 and Re. 1 for all clerical staff and menial staff. It was argued by Mr. Nathan that the Union has failed to produce

evidence of conditions of service in comparable concerns in Bangalore. The evidence produced of the other companies by the I party, is not of much help. The contenion of the Union is that there is no other comparable company anywhere in Bangalore or nearby, both in the matter of number of employees, number of branches it has and the volume of business it is doing and the Reserves it has built up and the reputation it has established. There is no other company equal to this company anywhere in India. This fact is in a way proved by Exhibits which I have referred to above. When there is no comparable industry in the region, necessarily one has to look to conditios prevailing in the other industries and M.W.1 admits that in Bagalore Voltas are paying lunch allowance to their employees and I have shown by several exhibits that the Dunlop Rubber Company, Gestener Company and the G.E.C. company are paying lunch allowance to their employees. Not merely that, the company itself is paying lunch allowance to its employees at Culcutta and at Delhi. It was argued by Mr. Nathan that if lunch allowance and medical benefits are available to the employees of the Calcutta Region it was due to an award. Whatever that be the fact is there that one section of the employees or the employees of one or two regions are getting lunch allowance and medical benifits, while the same is denied to the employees of other branches. M.W.1 has admitted that the employees of Bangalore are transferable to any place in India. He also admits that the working conditions throughout the Branches in various places and the working conditions among all the Regions are uniform. If that is the case it stands to reason that the benefits which the employees will be entitled to must also be uniform. The Company cannot make any discrimination between the employees of one Brach and the employees of the other. I only quote one decision of the Supreme Court reported in 1964 (I) LLJ 750. Their Lordships of the Supreme Court have laid down.—

> "In view of the facts of the instant case where the company has paid retaining allowance to some of its Clerks and the practice followed by the other factories in the neighbourhood, the company cannot make any discrimination in the payment of retaining allowance to some of the clerks. It was not explained by the campany as to how and why it paid retaining allowance to half of the seasonal clerks and not to others."

Their Lordships therefore have condemned such a practice of discrimination among the employees. Mr. Nathan was not able

to convince me as to why these benefits are extended only to the Calcutta and Delhi employees and not to other regions. His only argument was that if this tribunal granted the facilities to the Bangalore Branch workers, the employees also would claim similar benefits and thus industrial unrest would result. I fail to see the force of this argument. On the contrary, if there is no uniformity of service conditions or the benefits of the employment of one region, there is every reason for the employees of one region to feel aggrieved against the attitude adopted by the company. Regarding the financial capacity to meet this demand, the company has not whispered even a word in the counter statment that it is not in a position to meet these demands. On the contrary I have shown by Exhibit W16, the volume of business it is doing and the increased volume of business year after year is something unimaginable, and the company is making huge profits and the extra expenditure on account of the grant of these demands would not even amount to a fly bite to the funds of the company.

10. In the result, I make an award holding that all employees of the Bangalore Branch, both in-door and out-door, will be entitled to lunch allowance of Re. 1 per day on days on which they attend to work of the company. Regarding Issue No.2, medical benefits, the Madras Tribunal has in a way suggested a scheme. Even that cannot be denied to the employees of the Bangalore Branch. The Management therefore shall reimburse the medical expenses incurred by the workmen and their familie while sick. In regard to Lunch Allowance and the medical benefit, they will take effect from the date of the award, while with regard to Issue No.3' it will take effect from 11 thSeptember 1965.

11. I also direct the Company to pay to the I Party Union a sum of Rs.200 (Two Hundred only) towards the costs of this case.

(A. PANCHAKSHARAIH)

*Presiding Officer,*

*Industrial Tribunal;*

*Bangalore-2.*

## ORDER

Bangalore, dated the 27th September 1967.

**S. O. 1983.**—WHEREAS by State Government Order No. LMA 637 LLD 65, dated 3rd February 1967, the Industrial Dispute between the Workmen and the Management of Remington Rand of India, Ltd., Bangalore Branch Office, 25 and 25 A. Mahatmagandhi Road, Bangalore-1, was referred to the Industrial Tribunal, Bangalore for adjudication.

AND WHEREAS the Industrial Tribunal, Bangalore, has submitted to the State Government its award in respect of the said Industrial Dispute.

NOW, THEREFORE, in exercise of the powers conferred by Section 17 of the Industrial Disputes Act, 1947 (Central Act XIV of 1947), the Government of Mysore are pleased to direct the publication of the said award as above, in the *Mysore Gazettee*.

[No. LMA 637 LLD 65.]

By Order and in the name of the Governor of Mysore,

1214 G. G. PUROHIT, *Under Secy*.